



[Billing Code 3190-W2-P]

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

GENERALIZED SYSTEM OF PREFERENCES (GSP): IMPORT STATISTICS

RELATING TO COMPETITIVE NEED LIMITATIONS

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: This notice is to inform the public of the availability of import statistics for the first nine months of 2011 relating to competitive need limitations (CNLs) under the Generalized System of Preferences (GSP) program. These import statistics identify some articles for which the 2011 trade levels may exceed statutory CNLs. Interested parties may find this information useful in deciding whether to submit a petition to waive the CNLs for individual beneficiary developing countries (BDCs) with respect to specific GSP-eligible articles. As previously announced in the **Federal Register** (76 FR 67531 (November 1, 2011)), the deadline for submission of product petitions to waive the CNLs for individual BDCs with respect to GSP-eligible articles is 5 p.m., December 16, 2011.

FOR FURTHER INFORMATION: Contact Donnette Rimmer, Director for GSP, Office of the United States Trade Representative, 600 17th Street, NW, Washington, DC 20508. The telephone number is (202) 395-9618 and the e-mail address is Donnette_Rimmer@ustr.eop.gov.

SUPPLEMENTARY INFORMATION:

I. Competitive Need Limitations

The GSP program provides for the duty-free importation of designated articles when imported from designated BDCs. The GSP program is authorized by title V of the Trade Act of

1974 (19 U.S.C. 2461, *et seq.*), as amended (the “1974 Act”), and is implemented in accordance with Executive Order 11888 of November 24, 1975, as modified by subsequent Executive Orders and Presidential Proclamations.

Section 503(c)(2)(A) of the 1974 Act sets out the two CNLs. When the President determines that a BDC has exported to the United States during a calendar year either (1) a quantity of a GSP-eligible article having a value in excess of the applicable amount for that year (\$150 million for 2011), or (2) a quantity of a GSP-eligible article having a value equal to or greater than 50 percent of the value of total U.S. imports of the article from all countries (the “50 percent CNL”), the President must terminate GSP duty-free treatment for that article from that BDC by no later than July 1 of the next calendar year.

Under section 503(c)(2)(F) of the 1974 Act, the President may waive the 50 percent CNL with respect to an eligible article imported from a BDC, if the value of total imports of that article from all countries during the calendar year did not exceed the applicable *de minimis* amount for that year (\$20.5 million for 2011). Further, under section 503(c)(2)(C) of the 1974 Act, if imports of an eligible article from a BDC ceased to receive duty-free treatment due to exceeding a CNL in a prior year, the President may redesignate such an article for duty free treatment if imports in the most recently completed year did not exceed the CNLs.

II. Implementation of Competitive Need Limitations

Exclusions from GSP duty-free treatment where CNLs have been exceeded will be effective July 1, 2012, unless the President grants a waiver before the exclusion goes into effect.

Exclusions for exceeding a CNL are based on full 2011 calendar year import statistics.

III. Interim 2011 Import Statistics

In order to provide advance notice of articles that may exceed the CNLs for 2011, interim 2011 import statistics for the first nine months of 2011 relating to CNLs can be viewed at: <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp/current-review-4> Full calendar-year 2011 data for individual tariff subheadings will be available in February 2012 on the Web site of the U.S. International Trade Commission at <http://dataweb.usitc.gov/>.

The interim 2011 import statistics are organized to show, for each article, the Harmonized Tariff Schedule of the United States (HTSUS) subheading and BDC of origin, the value of imports of the article for the first nine months of 2011, and the percentage of total imports of that article from all countries. The list includes the GSP-eligible articles from BDCs that have already exceeded the CNLs since import levels amount to more than \$150 million, or by an amount greater than 50 percent of the total value of U.S. imports of that product in 2011. The list also includes GSP-eligible articles that, based upon interim nine-month 2011 data, exceed \$100 million dollars, or an amount greater than 42 percent of the total value of U.S. imports of that product.

The list published on the USTR website is provided as a courtesy for informational purposes only. The list is computer-generated, based on interim 2011 trade data, and may not include all articles that may be affected by the GSP CNLs. Regardless of whether or not an article is included on the list referenced in this notice, all determinations and decisions regarding application of the CNLs of the GSP program will be based on full calendar year 2011 import data for each GSP-eligible article. Each interested party is advised to conduct its own review of 2011 import data with regard to the possible application of GSP CNLs. Please see the notice

announcing the 2011 GSP Review which was published in the **Federal Register** on November 1, 2011, regarding submission of product petitions requesting a waiver of a CNL. The notice is available at <http://www.regulations.gov/#!documentDetail;D=USTR-2011-0015-0001>.

William D. Jackson

*Deputy Assistant U.S. Trade Representative for the GSP Program
Chairman, GSP Subcommittee of the Trade Policy Staff Committee*

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